

## **2nd Case Efficiency May 26th Roundtable**

### **Surveillance/Generic Policy Issues Work Group**

#### **Work Products**

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## **Draft Surveillance Rule Issue Paper**

### **(Surveillance-Monitoring) Reporting Requirements**

The MO PSC Staff currently receives a variety of financial, statistical and consumer service monitoring reports from Missouri utilities. The objective of the issue paper is to propose the consolidation of all of these reports in one rule. In addition, this rule proposes reporting of information that will improve efficiencies in the formal case process by allowing review of data on a continuous basis so that historical analyses performed during a case will be complete to date. The reports included under this rule are:

- Reports received by MO PSC Staff that are required by Missouri rule or statute or federal law (requirements by utility industry may vary).
- Reports received by MO PSC Staff as Ordered by the Commission in case proceedings (may be specific to a utility company or generic).
- Reports previously provided to MO PSC Staff through the case discovery process (applicable to formal cases).

The first two categories of reports are required of specific Missouri utilities. The third category of reports would be required of all the major Missouri utilities that are required to file formal rate cases. This requirement would not include telecommunications utilities under a price cap or utilities that qualify for informal rate cases. The reports would be available for use in all case filings. The reporting requirements would be designed to provide intervenors in a formal case access to the reported data. The possibility of providing intervenors access to data between cases would also be considered.

Below is a listing of surveillance-monitoring reports by the Public Service Commission Department that typically receives or analyzes the data. (A process to verify that all current reports received have been included for the rule proposal would be completed under the direction of Staff.) (Standardized language would be developed.)

### **Data Center**

Annual Reports-company contact information, revenues, telephone line counts, FERC Form 1 and 2, jurisdictional data, etc.

### **Budget & Fiscal Services**

Statement of Revenue

### **Auditing**

- This Department receives Surveillance Reporting and Tracking System (SURTS) financial reporting of rate base, capitalization and operating statements. Reports are received monthly, quarterly or annually depending on company.
- CAMs and Affiliated Transactions Rules Annual Reports- These are reviewed by the Auditing Dept. and are available on EFIS to all of the Staff. If utility submits into EFIS then can be designated public. Provides documentation for affiliated transactions between the regulated utility and nonregulated affiliates.

### **Energy-Tariff/Rate Design**

This Department receives PGA related information on a monthly basis from Laclede Gas, while MO Pipeline and Mo Gas Companies provide quarterly information on gas operations. The LDC's provide information that pertains to the School Aggregation Statute. Companies provide a listing of schools that participate with corresponding usages and who the various Aggregators are on the LDC's respective systems.

### **Energy**

- Monthly billed revenues by rate class provided electronically to Staff on a quarterly basis.

The Energy Department receives monthly billed electric sales and revenue data from EDE and KCPL on an on-going basis and is in the process of acquiring the same type of data for electric and natural gas sales and revenues from Ameren. In addition, the Energy Department is in the current development of other types of sales and revenue data (billing units, bill cycle data, bill frequencies, individual customer data) that will be used within the context of a rate case but will not necessarily (to be decided if rule implemented) be provided to Staff on an on-going basis. The data, in totality, is used for Staff analysis of the issues of rate revenues, weather normalization, and rate design.

The Energy Department's purposes for developing this data are:

(1) To obtain data that cannot currently be made available within the time constraints of a rate case (because of the need for specialized programming) developed for future rate cases. Within the past five years, most of the larger utilities have implemented new billing systems. In the process, utilities lost the capability to quickly and accurately generate many of data files and/or reports that the Energy Department relied on for rate case purposes. The Energy Department has worked with both EDE and Ameren to design specialized data files that can be created in the future within the time constraints of a rate case.

(2) To improve the quality of certain "source data" used for Energy Department rate case analysis. Any activity requiring special programming can be a lengthy (measured in years) process to coordinate the efforts of the designers, programmers, and reviewers so that the result is both usable and accurate.

(3) To obtain data at a level of detail that is different from that recorded by the Company. Three of the four regulated electric utilities record their "official" sales and revenue data at a level of detail that is unsuitable for the Energy Department's rate case analysis. To "acquire" data in the desired form, the Energy Department has worked with these companies to transfer data and expertise that can be used to create sales and revenue data at the level of detail that we need. While this process places the burden of creating the data needed on Staff, the on-going nature of the data transfer allows Staff to "process" such data and store it in electronic databases whenever the Energy Department's time schedule allows.

In summary, the major result of the Energy Department acquiring and/or coordinating with the companies to develop such data is to improve the quality of the analysis that can be performed within the time frame allowed for processing rate cases.

### **Telecommunications**

1. Abnormal Service Report as required in 4CSR 240-3.550 (5) (d). This rule requires companies to report all outage incidents when 300 or more customers experience an outage for more than 30 minutes.
2. Natural Disaster Recovery Plan as required in 4CSR 240-3.550 (5) (E). This rule requires each company to provide a copy of the company's plan of restoration in case of a natural disaster in their area. This plan requires review and amendment on a yearly basis.
3. Held Order tracking and reporting as required in 4CSR 240-3.550 (5) (A) (2). This rule requires company's to report and track orders for basic local service, which is not installed within 30 days from request for service.
4. Quarterly Quality of Service reporting as required in 4CSR 240-3.550 (5) (A) (1). This report requires company to report key service elements established in 4 CSR 240 32.080 and are listed below.
  - 4 CSR 240-32.080 (5) A: Installation of basic Service, this rule requires companies to report the total number of order requesting basic local service within a quarter and how many were installed within 5 working days. The objective for this category is 90% be completed with 5 working days. Surveillance is required if level is 85% or below.
  - 4CSR 240-32.080 (5) (B): Installation Commitments. This rule requires companies to track commitments given to a customer for installation of basic local service. The objective is that 95% of the time a company will install the service by the time they have given the customer. Surveillance is required if level is 90% or below.
  - 4 CSR 240-32.080 (5) (C): Operator Answer Time, this rule requires calls being answered by an operator to be answered within 12 seconds of dialing O. The objective level is 100% be answered within 12 seconds. Surveillance is required when calls are answered in greater than 14 seconds.
  - 4 CSR 240-32.080 (5) (D): Customer Assistance Calls, this rule requires calls being answered by customer assistance to be answered within 15 seconds. The objective level is 100% be answered within 15 seconds. Surveillance is required when calls are answered in greater than 20 seconds. 4 CSR 240-32.080 (3) states when a call is answered.
  - 4 CSR 240-32.080 (5) (E): Dial Tone Delay, this rule requires tracking of the number of request for dial tone and the number of times dial tone was not given within 3 seconds. . The objective level is 98% be given dial tone within 3 seconds. Surveillance is required if level is 97.4% and below receiving dial tone within 3 seconds.
  - 4 CSR 240-32.080 (5) (F): Local Call Completion, this rule requires tracking of the number of calls completed within "Local Exchange Calls" without having a

problem. The objective level is 98% be completed. Surveillance is required if level is 95% and below being completed without a problem.

- 4 CSR 240-32.080 (5) (G): Interexchange Call Completion, this rule requires tracking of the number calls completed outside the local exchange (Interexchange Switched Calls) without having a problem. The objective level is 98% be completed. Surveillance level is 95% and below being completed without a problem.
- 4 CSR 240-32.080 (5) (H) (1): Report Rate. This rule requires tracking of the total number non-excludable reports for repair of service a company receives. The objective level is receiving less than 6 reports per 100 access lines. Surveillance level is when a company receives 8 or more reports per 100 access lines.
- 4 CSR 240-32.080 (5) (H) (2): Clearing Time of Out of Service Trouble. This rule requires tracking of the total number non-excludable out of service trouble reports received and how many were cleared with in 24 hours. The objective level is to clear 90% of out of service within 24 hours. Surveillance level is when a company is clearing 85% or less of out of service trouble within 24 hours.
- 4CSR 240-32.080 (5) (H) (3): Repair Commitments. This rule requires companies to track commitments given to a customer for repair of basic local service. The objective is that 90% of the time a company will repair the service by the time they have given the customer. Surveillance level is 85% or below.
- 4CSR 240-32.080 (A) (1) requires additional reporting requirements of companies if any of the above service of quality elements fall in the surveillance level.

### **Gas Safety**

- Distribution System and Transmission Pipeline Annual Reports: U.S. Department of Transportation, -Office of Pipeline Safety Forms. Contains number of service lines (by size and material), miles of main and transmission lines (by size and material), lost and unaccounted for gas, and number of leaks repaired during the year.

For all jurisdictional natural gas operators (investor-owned and municipal).

- Annual Replacement information: number of service lines (unprotected steel and copper) replaced, feet/miles of cast iron and unprotected steel main replaced (we are given the amounts of pipe replaced (number of service lines, feet/miles of main), not the dollars spent).

For all jurisdictional natural gas operators with unprotected steel and cast iron mains and/or with unprotected steel and copper service lines.

### **Engineering and Management Services**

- The Department receives some call center staffing, customer survey results and a few other types of information from some of the utilities listed but all of the Companies provide Call Center performance data: (Average Speed of Answer, Abandoned Call Rate)

- The data is used to monitor company performance with respect to call center answer and wait times for customers. This data does not capture deficiencies that may be present in other aspects of call center operations (such as consistent application of the Commission's Cold Weather and other rules, the Companies' tariffs, etc)
- Most of the Companies above provide data on a quarterly basis with the exception of Aquila that will begin providing information on a monthly as a result of specific quality of service concerns identified in their financing and rate cases. For electric companies, the Engineering and Management Services Department has coordinated its requests for performance data along with the Energy Department-Engineering Analysis. The Energy Department has requested reliability performance information (Customer Average Interruption Duration - CAIDI, System Average Interruption Duration Index - SAIDI, System Average Interruption Frequency Index - SAIFI and Momentary Average Interruption Frequency Index - MAIFI.)
- Engineering and Management Services has been examining call center performance in the context of rate and financing cases and ultimately would like to have reporting on all of the large companies the PSC regulates. The Department maintains the data in binders and recently began posting call center performance graphs to the intranet under the Utility Services section (Call Center Statistics).

### **Procurement Analysis**

- We receive certain gas supply related and financial data on an annual basis as part of the ACA review. These are received through standardized data requests that are generated for each LDC.

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This category proposes additional surveillance/monitoring reporting data be provided that would allow Staff and OPC to process data continuously thus reducing the number of data requests prepared by the Staff and requiring response from the Company during a formal case. (There is not a consensus within the Surveillance Work Group that these would be provided unless a shortened timeline were approved for formal rate cases.)

### **Auditing**

- Access to external auditor workpapers within 2 months of closing books and issuing fiscal year end financial statements
- Access to all corporate and holding company board of directors and committee minutes and all documents provided to board members during meetings
- Copies of all corporate and holding company strategic, business and marketing plans
- Copy of corporate and holding company organizational chart annually (or as changes occur)
- Paper copy and electronic access to Word document formatted SEC filings including 10-K, 10-Q and proxy statement
- Paper copy and electronic access (if available) to annual report to shareholders

- Current chart of accounts and related accounting procedures manuals that describe general ledger transactions
- Copies of all reports given to ratings agencies, investment and security analysts
- Copies of all documentation related to any cost allocation factors used by the utility company (and corporation/holding company if applicable) for the fiscal year. (AmerenUE gas stip)
- Electronic (flat text file, excel, access or xml) copy of the total company general ledger by month. Update monthly on a continuing basis.

While the emphasis is on formal rate cases, other case filings would also be enhanced by having the data available continuously.

**Surveillance/Generic Policy Issue Work Group-Case Efficiency Roundtable  
Consideration of Generic DRs-As a Possible Component of Minimum Filing  
Requirements**

The Work Group proposes the Commission Staff develop a listing of generic data requests (DRs) by industry. These generic DRs would be provided to the utility companies, Office of Public Counsel and intervenors for review and discussion. Upon a consensus of the parties a list of generic DRs would be included in a proposed rule to the Commission. These generic DRs would become part of the minimum filing requirements (MFRs) for a formal rate case. A consensus would also be reached as to how the responses to the generic DRs would be made available to the parties. The Work Group discussed a wide range of options to create efficiencies related to DRs. The following options should be further discussed by all parties:

What DRs will be included? Generic DRs that are always asked early in the case, test year revenues and expenses, a listing that was provided by various PSC departments is attached. It is anticipated that additional review and discussion of the generic DRs by Staff will lead to additions and deletions to the listing. Companies and parties would then review the generic DR list along with Staff and decide what the actual generic DRs will be for each industry. Consensus would be required for the rule to go forward. It is not the intent that any party give up their current discovery rights. The intent is to reduce the burden on the company so quality information can be provided. Parties to the case will receive generic DR responses quicker, which will allow them to process the information on a timelier basis.

- When will the DR responses be available? At the time of filing the case, 10 days after filing the case, 20 days after filing the case.



- How will the DR responses be handled? A due diligence/data room will be provided at the company (available hours to correspond to fieldwork hours of access), paper copies provided on request, electronic responses, maintain current method of sending copies.
- Why change? Have information available quicker to parties, eliminate burden on company of having to process large volume of DRs within 20 days, eliminate multiple copies, have a known list so company can prepare ahead, no surprises that leave company scrambling, allow parties to process information quicker, allow filing of testimony sooner, shorten timeline of formal rate case.
- What timeline is being proposed? Gas utility generic DRs would be provided to companies within 60 days. This would require all departments within the PSC to develop a comprehensive listing that would be applicable to all of the industry. Company specific DRs would be asked aside from the generic DRs through the normal discovery process. Water utility generic DRs would be provided to companies within 75 days. Electric utility generic DRs would be provided to companies within 90 days. Within 30 days after providing the generic DRs to the companies a meeting will be held to discuss which DRs to include and which DRs to delete from the generic list. The meeting will also resolve differences and be used to reach a consensus. The other options and additional proposals will be discussed. A consensus of the generic DRs and options will be drafted into a rule to be presented to the Commission. If a consensus cannot be reached the rule would not be presented to the Commission.

There was not a consensus of the members of the work group regarding all the options and possible benefits of including generic DRs as MFRs. It is being proposed as a possible way to create case efficiencies that could be explored. The Commission may decide to proceed or not.

**Surveillance/Generic Policy Issues Working Group**  
**Recommendations For Considering Generic Policy Issues (Auther-Laclede)**

**A. Overview**

Consistent with the overall goal of the Case Efficiency Roundtable, this paper proposes a generic process for addressing certain issues that are common to all utilities or to all utilities in a certain industry. A number of utilities believe that implementation of such a process could significantly enhance the policy making process at the Commission while substantially reducing the time and resources that are currently required to relitigate the same issue in numerous proceedings. Specifically, we believe that the use of such a process would:

- **Enable the Commission to consider important policy issues in a more deliberate, comprehensive and informed manner.** Today, such issues are often addressed in a piecemeal, ad-hoc manner in general rate proceedings where numerous other issues are also presented to the Commission for its consideration. As a result, the Commission is often faced with the difficult task of having to resolve an important policy issue in an environment where: (a) its time to receive evidence and deliberate is limited; (b) its ability to devote attention to the issue is further compromised by the need to consider and resolve potentially dozens of other issues in the same proceeding; and (c) the quality of the evidence it receives on the issue is necessarily limited by the resources that a very limited number of parties have devoted to it. The generic process would address each of these concerns.
- **Reduce the amount of time and resources that are currently required to repeatedly present and litigate the same issue.** Today, the Commission and stakeholders in the regulatory process spend vast amounts of time and resources preparing for and, in many instances, relitigating the same issue in proceeding after proceeding. This is due, in large part, to the absence of a uniform Commission policy on the issue that instructs the parties on what the outcome of any litigation is likely to be. While use of a generic process to determine a formal Commission policy on generic issues would not entirely eliminate this resource burden on the Commission and parties, it would undoubtedly reduce it and, in the process, free up resources to be used on other endeavors.
- **Provide a more straightforward and intrinsically fair procedure for developing important regulatory policies.** Today, the Commission's development of important policy determinations often takes place in individual rate cases that involve only a limited number of parties. As a result, the Commission may decide important policy issues (and give reasons for those decisions) before other parties who would be affected by similar determinations in future cases have had an opportunity to weigh in

and present their views. While such parties may not be technically precluded from recommending a different policy determination in these subsequent cases, the Commission may feel constrained to follow the reasoning it has previously adopted in addressing the issue. By using a generic process to consider such issues, however, all interested stakeholders would have the opportunity from the outset to participate in the formulation of such a policy before it evolves to the point where it might have a preclusive impact on their ability to fully address the issue in a subsequent proceeding. Such a result would be fairer for all concerned.

**B. Process for Considering Generic Policy Issues**

Presented below is an outline of one process that could be used to consider and resolve generic policy issues:

**Step 1.** Several informal workshops would be held on the generic issue in order to determine whether a consensus can be reached on the policy that should be adopted by the Commission with respect to the matter under consideration. Much like the existing roundtable process, efforts would be made through EFIS, e-mail mailing lists, the Commission's website and press releases to notify interested stakeholders that such a process was being initiated.

**Step 2.** If the informal workshops result in a consensus as to what policy should be adopted by the Commission, the participants would then submit a proposed rule to the Commission reflecting that result, together with all information required to initiate the rulemaking process and explain why it is necessary and appropriate. It is anticipated that the participants would then submit comments in favor of the proposed rule once it is issued by the Commission.

**Step 3.** If the informal workshops do not result in a consensus as to what policy should be adopted by the Commission, each participant would be permitted, either jointly or individually, to submit a proposed rule to the Commission reflecting their position on what policy should be adopted by the Commission, together with any supporting comment or information on what their proposed rule is most appropriate. The Commission would then select and publish one of the proposed rules, or a combination thereof, as a placeholder to initiate the rulemaking process and without prejudice to the contents of any final rule it might adopt. As part of the rulemaking process, the Commission would then schedule an evidentiary hearing (in addition to or as part of the public hearing) during which interested stakeholders could present and rebut evidence, cross-examine witnesses and provide comments in support of their rule proposals and/or in opposition to the rule proposals submitted by other parties. The Commission would then issue a final rule based on its evaluation of what was presented during the rulemaking process.

### C. Timing and Order of Consideration

**Order of Issues to be Considered.** At our meetings, four issues were initially identified as potential candidates for generic treatment. They included ROE methodology, depreciation/net salvage methodology, pension cost recovery, and weather normalization methodology. At the outset, it may make sense to focus on only two of the four issues identified above. Specifically, parallel processes could be initiated to consider the issues of: (a) what methodology should be used for purposes of determining the return on equity that should be authorized by the Commission on investments made in utility facilities; and (b) what methodology should be used by the Commission for determining how the costs incurred to construct and install such facilities, including the costs incurred to remove or retire such facilities, should be returned to the utility through depreciation rates or otherwise.

Since there appears to be a growing consensus on how pension costs should be treated (i.e. the model that was first adopted in Laclede's case and then readopted in Aquila's case), there may also be room to reach a quick consensus on a rule reflecting that treatment. However, in the interests of focusing on the most significant issues (and not overwhelming the process), consideration of the weather normalization issue, as well as other generic policy issues that may be subsequently identified, should be deferred until after the completion of the first round of proceedings described below.

**Timing of Workshops.** At least three workshops apiece should be scheduled in June and July, 2004, to discuss the two issues identified above and determine whether a consensus on proposed rules dealing with these issues can be reached.

**Timing of Proposed Rule Submissions.** By the first week in August, 2004, participants should submit to the Commission either a proposed rule that is acceptable to everyone or, if no consensus has been reached, their respective proposed rules.

**Timing of Rulemaking/Hearing Process.** By the first week of October 2004, the Commission would issue a notice of proposed rulemaking setting forth either the consensus proposed rule or one of the proposed rules (or combinations thereof) that had been submitted by the participants. The notice of proposed rulemaking would contain the dates for the public hearing and, if no consensus had been reached, the dates for evidentiary hearings with a comment opportunity to follow. The hearings and comments would be scheduled in time for the Commission to issue final rules by February 2005 on these two issues.

**Surveillance/Generic Policy Issues Work Group:  
Recommendations for Considering Generic Policy Issues-Staff and OPC Members**

The Staff and OPC work group members do not endorse the generic rulemaking approach suggested by Laclede Gas Company (Laclede) and the other utility work group members for certain ratemaking issues.<sup>1</sup> The surveillance/generic policy issues work group was organized as an attempt to facilitate the formal rate case proceeding. The Staff and OPC work group members believe that Laclede's recommendation will not be successful or appropriate for various reasons.

First, the diversity of the electric, gas and water utilities that operate in the state of Missouri will make it difficult to develop one set of generic guidelines for an issue area to be applied to all affected utilities and basic differences between utility industries. Due to size, operating characteristics and management structural differences utilities and utility industries, the OPC and Staff work group members are not convinced that a single generic policy will be achievable.

Second, the opinions of what the correct generic policy should be; will be very divergent. The OPC and Staff work group members, with their many years of experience, are hard pressed to identify a single issue that the utilities and other parties have agreed to concerning scope or content. The generic policy recommendation is attempting to achieve a goal that neither the OPC nor Staff work group members has witnessed in over 20 years of regulation even though the suggestion of a rulemaking for certain ratemaking issues occurs on occasion.

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<sup>1</sup> The Staff and OPC work group members note that on May 14, 2004, Laclede Gas Company in Case No. GR-99-315 filed a Motion suggesting that a generic proceeding be utilized to address the depreciation/net cost of removal issue.

Third, the utility members of the surveillance/generic policy issues work group view that a rulemaking to set ratemaking methodology has already been accepted by the Commission in the instance of the Commission's affiliate transactions rules. The Staff and OPC work group members view this procedure to set a generic policy on a ratemaking issue differently than the Affiliated Transactions Rule (ATR). The Staff and OPC work group members view the affiliate transaction rules adopted by the Commission as not being precedent for the adoption of rules for determination of ratemaking issues. The ATR is a rulemaking that establishes how a utility must record transactions between affiliates. The Staff initiated, and the Staff and OPC supported, the Commission's adoption of affiliate transaction rules because the purpose of the rules are to require that utilities engage in record keeping that the Staff and OPC believes is necessary for review of affiliate transactions in general and for ratemaking determinations in particular. Simply stated, the ATR describes the record keeping required of the utility. Conversely, the generic issue policy would be used as a mechanism to determine the ratemaking treatment of certain issues. The OPC and Staff work group members view this as a substantial difference. The affiliate transaction rules cover activity of a utility involving multiple transactions. The Commission has had limited experience with these rules because for many utilities the rules had been stayed while the utilities challenged in Missouri courts the Commission's adoption of the rules.

Finally, the OPC and Staff work group members have legal concerns regarding what is being suggested including concerns relating to among other things single-issue ratemaking. Laclede identified four subject areas that it proposed as candidates for ratemaking by rulemaking: depreciation/net cost of removal, pensions, rate of return and

weather normalization. What Laclede is recommending may lead to suggestions that the biggest dollar issue or the big dollar issues can be addressed using a highly abbreviated schedule, as a result of a Commission rule respecting the issue in question, and all other relevant factors can either be dispensed with or dispensed with on a entirely different schedule. The OPC and Staff work group members believe that this matter must be considered and addressed before proceeding forward.

However, given those concerns, if a generic issue policy process is decided by the Commission to be moved forward, the Staff and OPC work group members would offer the following suggestions:

**A.** The Staff and OPC work group members believe the timing and schedule of Laclede's proposed process as outlined is too aggressive. From the Staff's and OPC's work group members experience, collaboratives or other working groups do not meet the stated timeline goals in most instances with production of a satisfactory work product. Timing will be an issue because of the number of entities expected to want to participate in the working group. The Staff and OPC work group members would support that a more lengthened timeline be implemented.

**B.** The Staff and OPC work group members believe that what Laclede has suggested should be viewed as an experiment and only one issue should be addressed initially and should be seen throughout the entire process if the Commission decides to move forward. By selecting and concentrating on one issue for the initial process, the participants and the Commission would be able to

judge/evaluate the generic policy issue process to determine if the procedure should be expanded to include other issues.

By limiting ongoing generic policy issue processes to one issue at this time would also address the Staff's and OPC's work group members concerns regarding available resources. The utilities have greater resources at their disposal to address multiple generic issues at once. However, due to a limited number of technical expertise at the OPC and Staff, and the limitation of agency funds for outside consultants, limiting the generic issues to one at this time hopefully would allow the Staff and OPC to devote appropriate resources to that issue.

**C.** The first issue to be considered should be determined by the entire group. The OPC and Staff work group members believe this issue should be one of the more traditional issues that has been presented before the Commission in the past. Simply put, the OPC and the Staff work group members believe that a less controversial issue should be tried first. The selection of such an issue though, should be determined based upon the assumption that the issue would proceed through the entire generic issue timeline. In this way, the entire process could be evaluated for use in the future. Again, the Staff and OPC work group members believe that such a rulemaking should initially be viewed as an experiment.

**D.** Staff and OPC work group members would recommend that the process focus on issues where the outcome has record keeping implications. Issues proposed by Laclede, such as rate of return on equity and weather normalization do not meet this criteria. The fact is that generally Commission decisions cannot



in the rate process have binding legal effect on future commissions and cannot be used to restrict or limit a party's presentation in a future regulatory proceeding.



# **Surveillance/Generic Policy Issue Work Group – Case Efficiency Roundtable**

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# **Work Group Members-Meeting Attendees**

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***Leo Bub, Gary Clemens, Stu Conrad, Dan Danahy,  
Steve Dottheim, Janis Fischer, Denny Frey,  
Dale Johansen, Lisa Kremer, Lisa Langeneckert,  
Roberta McKiddy, Greg Meyer, Mike Pendergast,  
Becky Powell, Steve Rackers, Tim Rush,  
Rosella Schad, Bob Schallenberg, Russ Trippensee,  
Joan Wandel, Gary Weiss, Warren Wood***

**Views of individuals  
Not representative of Company, Staff or  
Office of Public Counsel**



# **Work Product of Work Group**

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- **Surveillance Issue Paper Proposal**
- **Consideration of Generic Data Requests Becoming a Component of Minimum Filing Requirements**
- **Generic Policy Issue Process Proposals**



# **Surveillance Issue Paper Proposal**

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- **Develop a rule to include all surveillance/monitoring reports**
  - **Current utility company reports received by the PSC Staff**
  - **Surveillance Reporting and Tracking System-SURTS**
  - **Inclusion of additional utility company reports (no consensus within work group)**



# **Current Reports**

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- **Customer service**
  - **Outages**
  - **Complaints**
- **Safety**
- **Statement of Revenue**
- **Financial Data**
  - **Balance Sheet**
  - **Income Statement**
- **Operational Data**
  - **Revenues**
  - **Units of consumption**
  - **Plant/Depreciation**



# **Surveillance Reporting and Tracking System-SURTS**

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- **Total Company**
- **Missouri Jurisdictional**



# **Possible Additional Reports**

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## **Generic Data Requests**

- **Utility Service**
- **Utility Operations**

**To be determined by parties  
(no consensus within work group)**





# **Timeline for Implementation**

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- **Resource Availability**
  - **Staff**
  - **OPC**
  - **Companies**
  - **Other Parties**



# **Consideration of Generic Data Requests-Possible Components of MFR (To Run Concurrently)**

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- **Natural Gas**
  - **60 Days**
  - **30 Days**
- **Water**
  - **75 Days**
  - **30 Days**
- **Electric**
  - **90 Days**
  - **30 Days**
- **Draft Rule Proposal to Commission**
  - **150 Days**



# **To Be Determined by Consensus**

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- **Which Data Requests would be included?**
- **When will the Responses be available?**
- **Where will the Responses be kept?**
- **How will parties to the case have access?**
- **How will this improve case efficiency?**



# **Generic Policy Process**

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- **To be used if GPP is determined to be a regulatory process that addresses the concerns of the parties.**



# Generic Policy Process

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- **1. Informal workshops**

- ☐ • **Include all interested parties**
- ☐ • **Identify issue**
- ☐ • **Develop procedural schedule**
- ☐ • **Develop proposals of alternative rules to address issue.**



# **Generic Policy Process**

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## **2. Evidentiary Hearing**

- ☐ • **Vital component**
- ☐ • **Presentation of evidence and testimony by witnesses**
- ☐ • **Cross-examination by parties and the Commission**

## **3. Commission issues final rule**



# **AREAS OF AGREEMENT REGARDING GENERIC POLICY PROCEEDINGS**

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- **The parties were able to only agree on a procedural format that would be used.**
- **Parties were unable to agree if the process provides a viable alternative to the current process.**
- **Areas of Discussion are inter-related and determinations regarding these issues significantly impact parties position on the viability of the process.**



# **AREAS FOR DISCUSSION**

## **(No consensus at this time)**

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- **1. Appropriateness of process for ratemaking issues.**
- **2. Appropriateness of process for record keeping issues.**
- **3. Whether or not rules can or should be industry specific.**
- **4. Legal issues regarding single-issue ratemaking.**
- **5. Effect of rules on future rate cases.**
- **6. Legal entanglements with generic cases and pending rate cases.**
- **7. Should the process be limited to a single issue proceeding and not have multiple proceedings.**





# **AREAS FOR DISCUSSION**

## **(No consensus at this time)**

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- **8. Should the process first be attempted on an experimental basis.**
- **9. Should the issue be industry specific or cross industries.**
- **10. If process is experimental how should the issue be chosen, consensus, industry specific or not, determined by the MPSC after filings by the parties, other?**
- **11. If process is experimental, should the issue chosen be expected to not result in a consensus recommendation by the participating parties?**
- **12. Should the process timeline recognize the resource limits of various parties and statutory requirements.**